

**U.S. Department of Justice**

*United States Attorney  
Eastern District of Virginia*

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*Fountain Plaza 3 757/591-4000  
721 Lakefront Commons, Suite 300 FAX 757/591-0866  
Newport News, Va. 23606*

**NEWS RELEASE**

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For Further Information Contact:  
Deanna Warren (757) 441-6331

Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced today the unsealing of a 18-count indictment charging Kenneth James Hall, age 33, of York County, Virginia, with participating in a conspiracy to make false statements to purchase firearms, theft from a federal firearms licensee, sale of firearms without a license, sale of firearms to a convicted felon and false entry in an official Alcohol, Tobacco, Firearms and Explosives (ATF) record.

The indictment details how Hall, a former employee of Winfree Firearms, Inc., in York County, conspired with gun traffickers to circumvent federal firearms law by illegally transferring 53 firearms to 23 different straw purchasers who were buying them at the traffickers' request. Additionally, Hall is charged with personally transferring approximately 10 firearms to Shawn Pettaway, a gun trafficker, knowing or having reason to believe that Pettaway was a convicted felon and thus a prohibited person, and with stealing firearms from Winfree's business inventory to sell to Pettaway. These firearms were subsequently transported out of state and sold by gun traffickers on the streets of New York City, Baltimore, Maryland and elsewhere. According to the indictment, 28 of the firearms sold by Hall have been recovered.

Hall faces a maximum penalty of 5 years imprisonment for the conspiracy offense and for selling without a license, and 10 years for each count of theft from a firearms dealer. All offenses carry maximum fines of \$250,000 each.

The investigation originally targeted the break up of a major gun trafficking ring operating in the Peninsula area of Hampton Roads in January of 2003. The illegal activity began in 1999 when Shawn Pettaway, a convicted firearms trafficker, and others recruited over 30 local residents to act as straw purchasers who would purchase firearms for him and others from federally licensed firearms dealers located in the Peninsula area of Hampton Roads. Beginning in February 2000 Pettaway began acquiring firearms through these straw purchasers and selling them on the street in out of state cities. Some of the firearms were seized from individuals arrested for crimes in Baltimore, Maryland, and elsewhere. In 2001 Pettaway began selling these illegally obtained firearms to undercover officers from the New York City Police Department

(NYPD). By August 2001 NYPD officers had purchased 107 illegal firearms in a sting operation at a cost of more than \$80,000.

Through the ATF National Tracing Center, and ATF New York and Washington Regional Crime Gun Centers, the firearms were traced back to gun dealers in the Peninsula area of Hampton Roads. Subsequently, the Norfolk ATF Firearms Task Force launched an investigation into the individuals responsible for straw purchasing the firearms, and the base level of the trafficking ring was dismantled. The investigation revealed over 150 firearms were purchased in the Peninsula area of Hampton Roads for further transportation and distribution to New York City, Baltimore, Maryland, and Syracuse, New York.

U.S. Attorney Paul J. McNulty stated: "Gun traffickers use corrupt employees of firearms dealers and straw purchasers to move thousands of illegal guns on the street. These people are criminals just as the gun traffickers themselves."

Pettaway and others have been convicted of gun trafficking in the Bronx and sentenced to prison.

The investigation revealed that the owners of Winfree Firearms, Inc., were unaware of Hall's criminal activity and theft from the business

The investigation was conducted by Special Agents of the Norfolk and New York offices of the Bureau of Alcohol, Tobacco, Firearms and Explosives, and detectives from the Newport News and New York City Police Departments. Assistant United States Attorney Fernando Groene is prosecuting the case for the U.S. Attorney's Office.

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